

Todd Q4 2021 Global Intrinsic Value Equity Income Review

	4Q 2021	1 Year	3 Years*	5 Years*	7 Years*	10 Years*
GIVEI (Gross)	8.0%	23.8%	11.8%	8.3%	6.8%	9.3%
(Net)	7.8%	23.1%	11.2%	7.7%	6.1%	8.6%
MSCI ACWI (Net)	6.7%	18.5%	20.4%	14.4%	10.9%	11.9%
MSCI ACWI Value (Net)	6.3%	19.6%	12.9%	8.7%	7.0%	8.8%

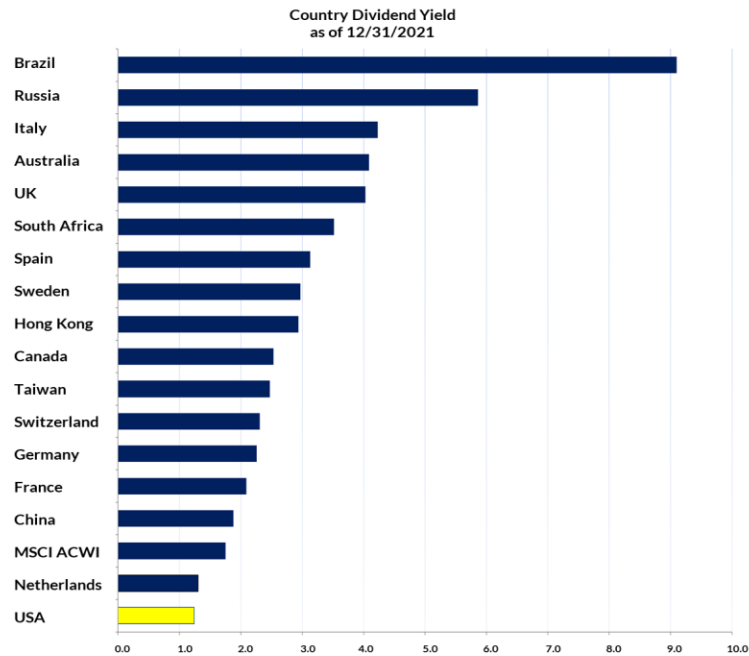
* Annualized Total Returns. Please refer to the attached Performance Disclosure for further information.

Performance Review

The GIVEI (gross) strategy outperformed the MSCI ACWI by +1.3% and the MSCI ACWI Value by +1.7% during the quarter. For the full year, the strategy outperformed (gross) the indexes by 5.3% and 4.2% respectively. As of the end of the quarter, the dividend yield remained at 5.0%, which is where it began the quarter.

We welcome the rotation to Value being witnessed in International markets which has provided a nice tailwind to performance. This has been much more pronounced overseas than in the US where index concentration has masked a more broad-based change in style leadership that has been ongoing. The dramatic move higher in global interest rates over the past month has been driven by more persistent inflation readings and the prospects that the Fed is about to embark on a tightening cycle in the next few months. Historically, higher rates have weighed heavily on Growth names which may see a longer period of multiple compression. The largest names in the US indices all carry higher multiples and may be the most at risk of tighter Fed policy and the transition of the US economy to mid-cycle. The US Dollar also has a history of weakening once policy rates are increased. While a changing policy stance from monetary authorities may cause some choppiness this year, multiple compression and dollar weakness would certainly act as a tailwind for international markets over the US. Easing supply chain pressure should also benefit international economies. Export data out of China, delivery data from the ISM and management commentary from recent earnings calls all suggest that supply chain bottlenecks are easing. While pandemic related disruptions are still occurring, pent up demand may have a better chance of being satisfied in the coming year which would support the ongoing expansion of the global economy.

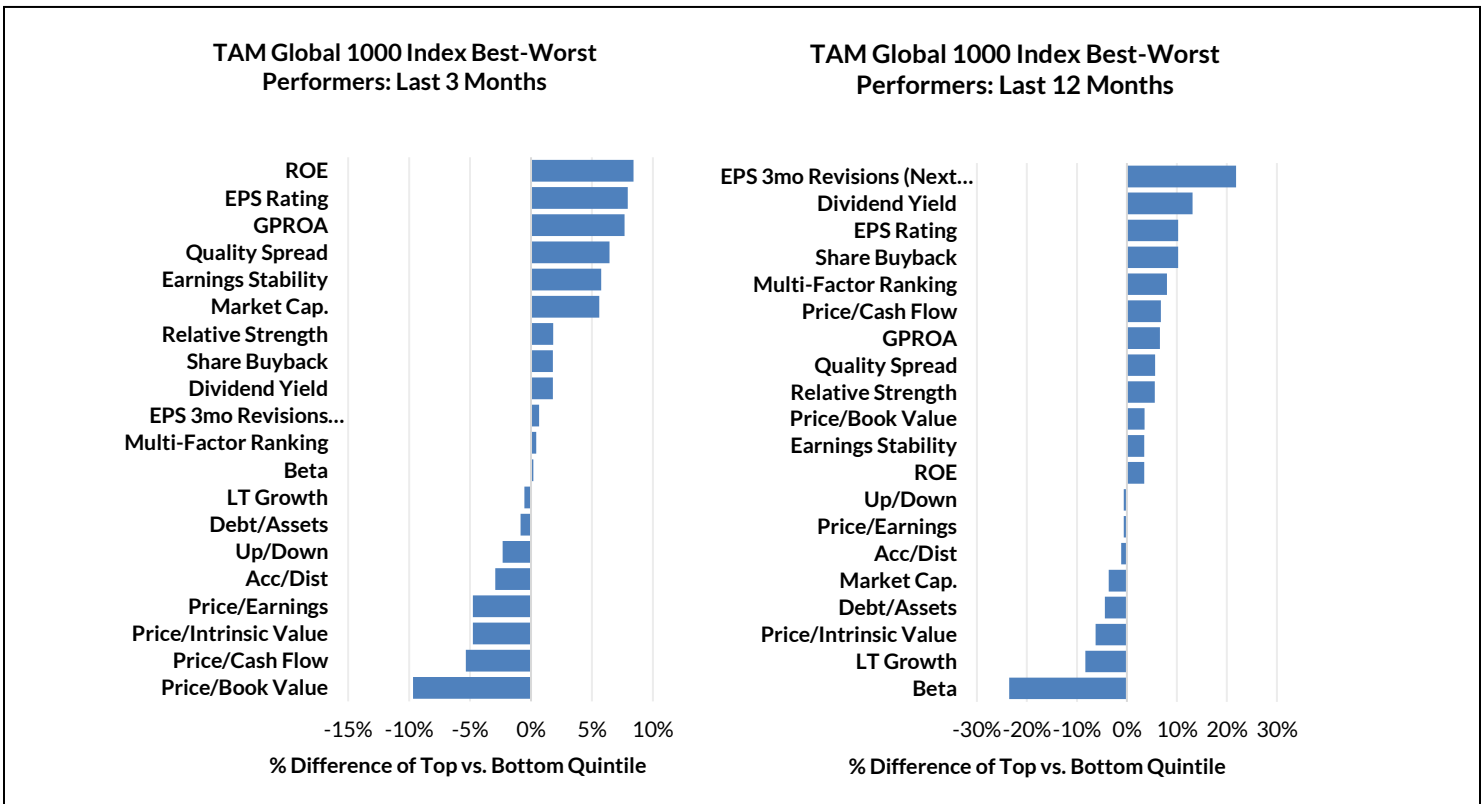
The chart below shows that global stock markets provide much better yields than the US stock market. A big reason for this is that international companies typically don't utilize stock repurchases as a shareholder return vehicle, instead paying out larger dividends. This is why we believe that using a combination of international high dividend yield stocks along with US high yielding stocks help us create a more diversified portfolio for our clients.



Source: Bloomberg and Todd Asset Management

Factor Performance

While value factors were some of the worst performing in the quarter, higher dividend yields marginally added to performance. For the full year, high dividend yields were the second best performing factor and contributed significantly to the strategy's outperformance to the indices.



Source: Bloomberg, William O'Neill + Co. and Todd Asset Management

The outperformance in the fourth quarter was driven entirely by our stock selection. Our stock selection in Health Care and Utilities were the primary drivers of performance. Two drug companies in Healthcare (Abbvie and Pfizer) and our overweight in utilities contributed the most. The primary detractors of performance during the quarter was our overweight in Financials and Materials (LyondellBasell). From a regional perspective, our underweight in Japan and several stocks in the US accounted for the majority of the outperformance while Europe and the EM detracted from performance.

We remain overweight Financials, Energy and Consumer Staples. We also remain underweight Consumer Discretionary, Industrials, and Technology. Among regions, we are overweight Canada and the United Kingdom. We are underweight Emerging Markets and Japan. Given the global focus of this strategy, we are able to find income outside of traditional high yielding US sectors (i.e. Consumer Staples, Utilities, REITs, etc.) leading to a much more diversified portfolio.

Our top five contributors to performance during the quarter were Broadcom, Pfizer, Abbvie, National Grid and Bank of Nova Scotia. Broadcom reported a stellar quarter raising guidance and using their free cash flow to enhance shareholder returns. Pfizer benefited from the COVID vaccine and the development of therapeutic pills to treat COVID. Abbvie reported a solid quarter with Botox volumes increasing and an improving pipeline. National Grid also reported a strong quarter and raised their guidance going forward. Finally, Bank of Nova Scotia not only provided a strong quarter but bumped its dividend by over 10%.

Our worst five detractors from performance during the quarter were Sberbank, AT&T, Verizon, BAE Systems and LyondellBasell. Sberbank suffered from the potential of an Ukraine invasion by Putin. Both AT&T and Verizon's weakness centered around pressure in their wireless divisions. BAE Systems provided a cautious outlook on constrained US growth while LyondellBasell had a sloppy quarter related to supply chain issues.

We are always available via email or phone and welcome your calls. If you have any questions, please feel free to contact any of us for further information.

Curt Scott, CFA
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01/18/2021
MSCI ACWI (Net) – 384
MSCI ACWI Value (Net) – 318

Refer to Performance Disclosure on the following page for more information on the performance numbers presented. These notes are an integral part of this letter and should not be reproduced or duplicated without these notes.

TAM Global 1000 Index is a list of the 500 largest US companies and the 500 largest US listed international companies by market cap. This list is used for factor analysis where the index is ranked/sorted by a certain factor then divided into quintiles. Returns are then calculated on a monthly basis for each quintile.

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TODD ASSET MANAGEMENT LLC

GLOBAL INTRINSIC VALUE EQUITY INCOME COMPOSITE DISCLOSURE

Past performance does not provide any guarantee of future performance, and one should not rely on the composite or any security's performance as an indication of future performance. Investment return and principal value of an investment will fluctuate so that the value of the account may be worth more or less than the original invested cost. There is no guarantee that this investment strategy will work under all market conditions. Registration of an investment adviser does not imply any level of skill or training.

Specific stocks discussed in this presentation are included to help demonstrate the investment process or, as a review of the Composite's results; and are not intended as recommendations of said securities and carry no implications about past or future performance. All or some of the specific stocks mentioned may have been purchased or sold by accounts within the Composite during the period, or since the period, and may be purchased or sold in the future. A complete listing of the holdings as of the period end is available upon request.

Todd Asset Management LLC ("TAM") is a registered investment adviser. The performance presented represents a composite of fully discretionary accounts invested in a diversified portfolio of attractively valued domestic and international equity securities with a goal to seek dividend income along with growth of that income and capital appreciation. The international securities are internationally domiciled, US traded equity securities.

Todd Asset Management LLC, formerly Todd-Veredus Asset Management LLC began operations on June 1, 1998 as Veredus Asset Management LLC (VAM). Effective May 1, 2009, VAM combined with Todd Investment Advisors, Inc. (TIA). TIA (and its predecessors) was founded in 1967 by Bosworth M. Todd. Upon the combination of VAM and TIA in 2009, Veredus Asset Management LLC changed its name to Todd-Veredus Asset Management LLC (TVAM). On February 28, 2013, after a change in ownership involving some VAM unitholders, TVAM changed its name to Todd Asset Management LLC. The firm continues to offer the same strategies managed by individuals using the process founded under TIA.

The Global Intrinsic Value Equity Income Composite contains fully discretionary, taxable, and tax-exempt accounts that use the MSCI ACWI Index as the benchmark. The Composite does not include accounts with social restrictions. All fee-paying, fully discretionary portfolios under our management are included in a composite. Accounts are eligible for inclusion in the composite at the beginning of the first calendar quarter after the month of initial funding and upon being fully invested.

TAM claims compliance with the Global Investment Performance Standards (GIPS®). The Firm has been independently verified for the periods January 1, 2008 through December 31, 2020. VAM was verified for the period July 1, 1989 through December 31, 2007 by a previous verifier. TIA's compliance with the GIPS® standards has been verified for the period January 1, 1993 through April 30, 2009. The Global Intrinsic Value Equity Income Composite has been examined for the periods January 1, 2011 through December 31, 2020. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein. To receive additional information regarding TAM, including a GIPS Composite Report for the strategy presented, contact Monica Slyter at 1-888-544-8633, or write Todd Asset Management LLC, 101 South Fifth Street, Suite 3100, Louisville, Kentucky 40202, or mslyter@toddasset.com.

The performance information is presented on a trade date basis, both gross and net of management fees, net of transaction costs and includes the reinvestment of all income. Net of fee performance was calculated using the applicable annual management fee schedule of 0.60% applied monthly. Actual investment advisory fees incurred by clients may vary. The currency used to calculate and express performance is U.S. dollars. All cash reserves and equivalents have been included in the performance.

The composite performance has been compared to the following benchmark. The index is unmanaged, and not available for direct investment; it includes reinvestment of dividends; it does not reflect management fees or transaction costs: The volatility of the index and a client account will not be the same.

MSCI ACWI (net) Index is a float-adjusted market capitalization index that is designed to measure the equity market performance of developed and emerging markets.

MSCI ACWI Value (net) Index is a float-adjusted index of securities exhibiting overall value style characteristics across both developed and emerging markets. The value investment style characteristics for index construction are defined using three variables: book value to price, 12-month forward earnings to price and dividend yield.

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